

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

In the matter of:

Michael A. Gral,¹

Case No. 16-21329-GMH

Debtor-in-possession

Chapter 11

**UNITED STATES TRUSTEE'S OBJECTION TO THE THIRD INTERIM FEE APPLICATION
FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES OF COUNSEL FOR
GRAL HOLDINGS KEY BISCAYNE LLC**

The United States Trustee Patrick Layng, by Attorney Laura D. Steele, objects as follows to the third interim fee application of counsel for Gral Holdings Key Biscayne LLC ("Debtor"):

1. Counsel filed its first interim fee application on April 20, 2016 as Docket No. 112 for the time period of February 22, 2016 through April 10, 2016.
2. Counsel filed its second interim fee application filed on June 20, 2016 as Docket No. 234, for the time period of April 13, 2016 through May 27, 2016.
3. The third interim fee application filed on July 22, 2016 covers the time period of April 13, 2016 through June 29, 2016. Docket No. 299.
4. The third interim fee application seeks total fees and costs of \$7,960.
5. Counsel again submits a monthly application which overlaps with a previously submitted application.
6. Counsel states "it was not intended that these interim applications be solely related to the previous month."
7. The Order approving this alternate arrangement for compensation provides: "Debtors' counsel shall file interim applications for each Debtor pursuant to the local rules governing fee applications in the usual form with the court and the U.S. Trustee on a **monthly basis** at the same time that each Debtor files its monthly operating report." Docket No. 208 (emphasis supplied).

¹The court is jointly administering *In re Michael Gral*, Case No. 16-21329 and *In re Gral Holdings Key Biscayne, LLC*, Case No. 16-21330; and, separately, the court is jointly administering *In re Michael Gral*, Case No. 16-21329 and *In re Capital Ventures, LLC*, Case No. 16-21331. **This pleading relates to *In re Gral Holdings Key Biscayne, LLC*, Case No. 16-21330.**

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8. The Local Rules of this Court require that all applications for compensation include, among other things, a chronological record of time spent on a case. L. R. Bankr. P. 2016.
9. Accordingly, the local rules require counsel to keep a chronological record of time, and the Court's order requires counsel to submit applications on a monthly basis.
10. If counsel's "office system" does not enable counsel to contemporaneously record time and submit accurate monthly applications, the United States Trustee respectfully requests that the Court reconsider its order allowing monthly compensation in these cases.
11. The United States Trustee's specific objections to counsel's time entries are detailed as:

Date	Description	Time	Amount (\$300/hr)	Page	Basis for UST Objection
05-23	Memorandum in support of Applications for appointment of JVG as counsel	.60	\$180	4	Overlaps with previously submitted application. The estate should not bear the cost of counsel's failure to make required disclosures at the outset of this case, which necessitated the hearing regarding counsel's appointment.
06-03	Order on Motion to Obtain compensation without applying to court	.20	\$60	4	Counsel appears to double bill this entry to another related debtor as it is also billed on 5-26 to estate of Michael A. Gral for \$60, Docket No. 298 at pg. 7.
06-03	Order granting 1st Interim Application to pay JVG	.20	\$60	4	Vague. It is not clear what service was provided as represented by this entry.
04-13	Telephone conversation with MAG re: corrections to Plan	.30	\$90	6	Overlaps with previously submitted application.
04-14	Work on correcting Plan	.50	\$150	6	Overlaps with previously submitted application. Vague.
04-15	Telephone conversation with MAG re: MORs, trustee fees, taxes for condo	.50	\$150	6	Overlaps with previously submitted application. Vague. It is not clear whether the conversation pertained only to this Debtor.

04-13	Phone with MAG regarding commencement of Adversary Proceedings	.30	\$90	7	Overlaps with previously submitted application. Vague. It is not clear whether the conversation pertained only to this Debtor.
05-11	Telephone conversation with Ader re: settlement	.30	\$90	7	Overlaps with previously submitted application.
05-17	Attention to email to Ader re: settlement	.50	\$150	7	Overlaps with previously submitted application.
05-23	Meeting with Michael Gral and long conversation with Ader re: settlement	.60	\$180	7	Overlaps with previously submitted application. Entry appears to impermissibly lump services.
05-24	Preparation of Adversary Complaint	1.00	\$300	7	Overlaps with previously submitted application.
05-24	Preparation of Motion for Preliminary Injunction	1.00	\$300	7	Overlaps with previously submitted application.
05-26	Preparation of cover sheet	.50	\$150	7	Overlaps with previously submitted application.
05-27	Letter to Ader enclosing Complaint	.30	\$90	7	Overlaps with previously submitted application.
05-27	Attention to email to Nicole Pellerin re: monthly payments	.20	\$60	7	Overlaps with previously submitted application.
06-10	Preparation of Pre-Trial Report; Memo to MAG	1.00	\$300	7	Vague. Entry appears to impermissibly lump services.
06-14	Long telephone conversation with Ader re: deposition	.50	\$150	7	Vague.
06-15	Telephone conversation with Ader re: deposition	.20	\$60	7	Vague.
06-16	Attention to email to Ader re: deposition	.30	\$90	7	Vague.
06-21	Work on hearing on Motion for Injunction	.50	\$150	7	Vague.
06-22	Preparation of Abstract of Deposition of MAG	1.00	\$300	7	Vague.
06-23	Meeting and preparation for hearing with MAG	2.50	\$750	7	Vague. Entry appears to impermissibly lump services.

06-29	Attention to email to Ader re: violation of stay	.50	\$150	7	Vague.
	Cost for filing fee		\$350	3	Adversary Case 16-02140 was filed on behalf of Capital Ventures LLC, not this Debtor.
Total:		13.5	\$4,400		

WHEREFORE, the United States Trustee objects to allowance of at least \$4,400 in fees and costs, and requests that the Court approve not more than \$3,560 for fees and costs on an interim basis for this Debtor's counsel. The United States Trustee preserves its rights to review interim fees on a final basis at such time a final application is made to the Court by Debtor's counsel.

Dated: July 26, 2016.

PATRICK S. LAYNG
United States Trustee

LAURA D. STEELE
Attorney for the United States Trustee